



Daily Open Source Infrastructure Report 5 June 2012

Top Stories

- The contractor at the Y-12 nuclear weapons plant in Oak Ridge, Tennessee, indefinitely suspended many maintenance activities because of poor performance in certain safety-related procedures. – *Knoxville News Sentinel* (See item [15](#))
- Prosecutors indicted two former executives at Sentinel Management Group Inc. on fraud charges for swindling more than \$500 million. – *Dow Jones Newswires* (See item [20](#))
- Michigan's governor said he asked for federal disaster aid to help with crop losses caused by erratic weather that are estimated at \$223.5 million. – *Detroit News* (See item [32](#))
- An air tanker dropping retardant on a remote wildfire along the Utah-Nevada line crashed June 3, killing both crew members. Another air tanker had to make an emergency landing the same day. – *Associated Press* (See item [51](#))
- High winds, heavy rains, and several tornadoes caused millions in damage to homes, businesses, and boats. The storms also flooded roads and caused power outages across the mid-Atlantic region. – *Reuters* (See item [62](#))

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Energy Sector

1. *June 4, Associated Press* – (Alabama) **Storms leave more without power across Ala.** High winds left scattered damage and more power outages across north Alabama, June 3. Emergency management said utility lines were down in the northwest corner of the State, and Alabama Power said about 3,600 customers were without electrical service June 4 in a section of central Alabama that includes Birmingham, Jasper, and Talladega. Crews were working to restore lines knocked down by successive waves of storms that began June 3. Almost 30,000 customers were without power at the peak of the outages.
Source: <http://www.dailycomet.com/article/20120604/APN/1206040655?Title=Storms-leave-more-without-power-across-Ala>
2. *June 2, Oil and Gas Journal* – (National) **EPA issues final rule for refinery flares, process heaters.** The U.S. Environmental Protection Agency (EPA) issued a final rule updating Clean Air Act standards for refinery flares and process heaters June 1. The new standards will reduce sulfur dioxide, nitrogen oxide, and volatile organic compound emissions while saving refiners about \$80 million per year, the EPA said. American Petroleum Institute and American Fuel & Petrochemical Manufacturers officials immediately disagreed. The EPA said the final rule, which was a response to petitions asking the agency to reconsider standards issued in 2008, provides greater compliance flexibility to refiners and ensures they can make routine operational requirements without triggering new requirements. It said the new standards rely on proven, widely used technologies to cut pollution from flares and process heaters.
Source: <http://www.ogj.com/articles/2012/06/epa-issues-final-rule-for-refinery-flares-process-heaters.html>
3. *June 2, Boston Herald* – (Massachusetts) **Nstar blames oil leak for March blackout.** A massive blackout that plunged the Back Bay in Boston into darkness for days in March occurred when oil from a transformer ignited a fire on a high voltage cable in an unforeseen “catastrophic” failure, Nstar officials reported June 1. Nstar filed a 76-page report with the city that included detailed explanations of the March 13 Scotia Street substation fire that caused the blackout. The report includes pictures of scorched wires, cables, and electrical units, as well as recommendations on how to avoid a future catastrophe. It blames the fire on the “unexpected release” of mineral oil from a “high voltage cable pothead termination” on the system. The “pothead” fractured, which was the likely ignition source of the fire, the report states. The leak was caused by a “mechanical failure,” the cause of which Nstar officials reported is “unknown.”
Source:
<http://www.bostonherald.com/news/regional/view.bg?articleid=1061135983&srvc=rss>
4. *June 2, Houston Chronicle* – (Texas) **1 dead, 1 injured in Channelview blast.** One person died and another was injured June 2 in a welding accident at a plant in the Channelview section of Harris County, Texas. An employee of an independent contractor was killed in the blast at the plant. Oiltanking Partners LP said in a prepared statement that another contract worker was injured and being treated at an area hospital.

The company said it has confirmed that “no fire, environmental or health threat” occurred. According to its Web site, Oiltanking Partners is publicly traded partnership engaged in independent storage and transportation of crude oil, refined petroleum products and liquefied petroleum gas.

Source: <http://www.chron.com/news/article/1-dead-1-injured-in-Channelview-blast-3604894.php>

5. *June 1, WLTX 19 Columbia* – (South Carolina) **Tanker spills toxic liquid at Kershaw County gas station.** Officials from the South Carolina Department of Health and Environmental Control said there is no public or environmental threat after a chemical spill shut down part of Highway 601 at the Interstate 20 exit in the Lugoff section of Kershaw County, South Carolina, June 1. A tanker truck at the Pilot Gas Station on 601 began leaking a poisonous toxic liquid. At the time the leak occurred, fire crews said the driver was trying to secure his payload. Crews said the chemical the tanker was carrying is used to dilute other chemicals. HAZMAT crews and the Lugoff Fire Department had to detour traffic, but around 2 hours later, authorities said traffic was again allowed near the scene. Officials from the Lugoff Fire Department said the spill was cleaned up June 2.

Source: <http://www.wltx.com/news/article/189102/2/Tanker-Spills-Toxic-Liquid-at-Kershaw-County-Gas-Station>

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Chemical Industry Sector

6. *June 4, Chemical Regulation Reporter* – (National) **EPA asks manufacturers of 18 chemicals to submit ‘all relevant’ risk information.** Chemical manufacturers that produce certain flame retardants, fragrances, and other chemicals are being asked to submit information relevant to risks the compounds pose to the Environmental Protection Agency (EPA) by August 31. Hazard data, exposure data, and other risk-relevant information developed by other organizations also may be submitted. The EPA released June 1 a list of 18 chemicals for which it plans to complete risk assessments in 2013 and 2014. It also asked interested parties to submit information, such as unpublished scientific studies not already available through the existing literature or information on uses and potential exposures, to the agency for the assessments. The EPA would use the risk analyses for regulatory or other actions the agency may conclude are needed to manage risks. The 18 chemicals were drawn from a list of 83 the agency released in March as candidates for risk assessment over the next several years. The EPA selected the chemicals because they have potential characteristics such as persistence in the environment, accumulation in the food chain, and harmfulness to human health or the environment.

Source: <http://www.bna.com/epa-asks-manufacturers-n12884909812/>

7. *June 2, Quincy Patriot-Ledger* – (Massachusetts) **Report: Massachusetts companies slash toxic chemical use.** A Massachusetts law has helped prompt manufacturers to cut

their use of hazardous chemicals 21 percent over the past decade, according to a report by State environmental regulators, the Quincy Patriot-Ledger reported June 2. The Toxics Use Reduction Act requires certain companies to track and report their use of chemicals considered to be hazardous to the State and to look into cost-effective alternatives. The report said Bay State companies not only reduced their use of such chemicals from 2000 to 2009, but they also cut their release into the environment by more than half in that time. In 2009, the most recent year for which data is available, manufacturers used 75 million fewer pounds of toxic chemicals, an 8 percent cut from 2008, the report said. That marked the 19th year in a row firms made reductions. Companies made improvements such as switching from using chlorine-based solvents to water-based cleaners to wash equipment, said a spokeswoman for the State Executive Office of Energy and Environmental Affairs. The law, passed in 1989, applies to manufacturers with 10 or more full-time employees that use more than a certain amount of any chemical considered toxic, she said. In 2009, 500 Bay State facilities reported the use of 148 listed toxic substances.

Source: <http://www.patriotledger.com/topstories/x1842807877/Report-Massachusetts-companies-slash-toxic-chemical-use>

8. *June 1, Springfield Republican* – (Massachusetts) **Chemical spill shuts down Suddekor plant in East Longmeadow.** A spill involving more than 100 gallons of liquid ammonia forced the evacuation of the Suddekor paper-treatment plant in East Longmeadow, Massachusetts, for more than 5 hours June 1, officials said. One employee was taken to the hospital, but he did not appear seriously injured, the East Longmeadow fire chief said. The Western Massachusetts Regional Hazardous Materials Team was contacted to take charge of the scene. About 30 employees were evacuated. The spill was caused by an employee driving a forklift bumping into a pipeline containing ammonia, the fire chief said. Suddekor hired a private company to finish cleaning up the contaminated area.
Source:
http://www.masslive.com/news/index.ssf/2012/06/chemical_spill_shuts_down_sudd.ht
[ml](http://www.masslive.com/news/index.ssf/2012/06/chemical_spill_shuts_down_sudd.ht)
9. *June 1, Evansville Courier & Press* – (Indiana; Alabama) **SABIC to pay \$1 million fine, upgrade plant.** A Mount Vernon, Indiana plastics firm entered into an agreement with the Environmental Protection Agency (EPA) to pay a fine in excess of \$1 million and spend millions more on plant upgrades for a laundry list of federal clean air violations, the Evansville Courier & Press reported June 1. SABIC Innovative Plastics US LLC, and its subsidiary, SABIC Innovative Plastics Mount Vernon, LLC, signed a consent decree that requires the firm to spend \$5.3 million for equipment upgrades. The settlement is expected to reduce plant emissions, including chemicals such as phenol and ethylbenzene, by more than 144 tons a year. The pollutants are considered highly corrosive and readily absorbed into the skin. They can affect the central nervous system and cause liver and kidney damage. The agreement involves pollution problems at the company's chemical manufacturing facilities in Mount Vernon and Burkville, Alabama. A 15-count complaint said SABIC violated Clean Air Act requirements to monitor and repair leaking equipment, establish compliance with regulations imposed on chemical plants by the EPA, and report self-discovered pollution violations. The

agreement is subject to the court's approval after a 30-day comment period.
Source: http://www.courierpress.com/news/2012/jun/01/no-headline---ev_sabic/

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Nuclear Reactors, Materials and Waste Sector

10. *June 3, Associated Press* – (Louisiana) **Fault at La. nuclear plant prompts review.** The Nuclear Regulatory Commission (NRC) is conducting an inspection at Entergy's River Bend nuclear plant near St. Francisville, Louisiana, following a May 24 problem with a main pump, the Associated Press reported June 3. The NRC sent a four-member inspection team to investigate an electrical fault that occurred in a main pump. "Workers reported seeing some smoke around the reactor feed pump and the plant's fire brigade was dispatched, but no fire was reported," the agency said. It said there were no radiological releases and no emergency action declaration needed because the plan was in safe shutdown.
Source: <http://www.wvl.com/pages/13308555.php?contentType=4&contentId=10739901>
11. *June 1, Associated Press* – (Tennessee) **State monitors stored radioactive scrap material.** State officials said they are monitoring 1 million pounds of scrap radioactive material after the Oak Ridge, Tennessee company that was storing it filed for bankruptcy, the Associated Press reported June 1. A Tennessee Department of Environment and Conservation spokeswoman told the Chattanooga Times Free Press that Impact Services Inc. "shut its doors" after filing for Chapter 7 liquidation May 24 in U.S. Bankruptcy Court in Delaware. According to its Web site, Impact Services is a radioactive waste processing facility that provides decontamination services to low-level radioactive component parts and scrap from commercial nuclear reactors. Members of the department's division of radiological health went to the site May 21 and the company had a radiation safety officer there. The scrap radioactive material was secured and the company was trying to decide its options.
Source: <http://www.starhq.com/2012/06/01/state-monitors-stored-radioactive-scrap-material/>

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Critical Manufacturing Sector

12. *June 3, Hanover Evening Sun* – (Pennsylvania) **Explosion, fire damages Pennsylvania foundry.** A furnace explosion and fire at the R.H. Sheppard, Co. foundry in Hanover, Pennsylvania, June 1 caused only minor injuries, but left behind hundreds of thousands of dollars worth of damage, an official said. The fire started when molten metal from the foundry operation escaped from a furnace and came into

contact with water, according to the responding fire chief. The result was an explosion, he said, and a fire that brought out crews from around the area. The chief estimated the cost could be in the hundreds of thousands of dollars or more, with lost productivity time included. “I would feel confident it could run up to \$1 million,” he said.

Source: <http://www.firehouse.com/news/10724806/explosion-fire-damages-pennsylvania-foundry>

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Defense Industrial Base Sector

13. *June 4, WUSA 9 Washington, D.C.* – (Washington, D.C.) **2 workers taken to hospital in hazmat incident at Naval Research Lab.** The director of public affairs with the Naval Research Lab said June 4 a possible hazardous chemical spill was found at the Center for Biomolecular Science and Engineering, which is a laboratory on the grounds of the Naval Research Laboratory in Washington, D.C. The Naval District of Washington police and fire departments were alerted that a container with an unidentified liquid in a refrigeration unit had started leaking and some of the chemical that was in the refrigeration unit had started to pool on the floor. The building was safely evacuated, and two employees were transported to the hospital as a precaution after they started complaining of respiratory irritation. A safety perimeter was established around the building while hazardous chemical crews worked to identify the substance.

Source: <http://wusa9.com/news/article/207439/158/2-Workers-Taken-To-Hospital-In-Hazmat-Incident-At-Naval-Research-Lab>

14. *June 3, Associated Press* – (Maine) **Sub fire could have ripple effects for Navy fleet.** The U.S. Navy is evaluating whether it is worth spending millions of dollars to repair the USS Miami, the nuclear-powered submarine damaged in a fire May 23 in a Maine shipyard, the Associated Press reported June 3. If the submarine is scrapped, the fleet could feel the effects for years. The number of attack submarines like the Miami is projected to drop as they are deactivated faster than they are replaced, and Navy leaders already have been trying to find new ways to keep up with demands from combatant commanders. A naval affairs specialist with the Congressional Research Service said the loss of the Miami would put slightly more pressure on the remaining submarines to meet mission demands.

Source: <http://abcnews.go.com/US/wireStory/fire-ripple-effects-navy-fleet-16485776#.T8zYSIJ3e70>

15. *June 1, Knoxville News Sentinel* – (Tennessee) **Y-12 suspends some work because of safety concerns.** The Government’s contractor at the Y-12 nuclear weapons plant in Oak Ridge, Tennessee, May 31 indefinitely suspended a number of maintenance activities at the plant because of poor performance in certain safety-related procedures. B&W Y-12, a partnership of Babcock & Wilcox and Bechtel National, halted all “lock out/tag out” activities at the Oak Ridge plant, where nuclear warhead parts are manufactured and dismantled. The suspension of lock out/tag out activities was ordered after three recent incidents, according to a Y-12 spokeswoman. She said the events

prompted the contractor to take additional steps to correct the problem. As corrective actions are taken, the Y-12 contractor will gradually restart the maintenance activities that have been suspended, she said.

Source: <http://www.knoxnews.com/news/2012/jun/01/y-12-suspends-some-work-because-of-safety/>

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Banking and Finance Sector

16. *June 3, Enumclaw Courier-Herald* – (Washington) **4 indicted for mortgage fraud scheme.** Four Seattle-area residents were arrested June 3 on a 21-count indictment charging them with conspiracy, bank fraud, wire fraud, and mail fraud, a U.S. attorney announced. The mortgage fraud scheme ran from 2006-2008 and defrauded more than 10 banks, financial institutions, and mortgage lenders, of more than \$8.6 million. More than 50 mortgages were involved on properties in many communities around Puget Sound including Medina, Renton, South Seattle, Bellevue, Redmond, and Kirkland. According to the indictment, three defendants worked at Emerald City Escrow and at Nationwide Home Mortgage and conspired to use straw buyers to defraud banks. The fourth defendant worked at a tax preparation business and provided some false documentation submitted with the loan applications. The victim banks included Washington Mutual, Bank of America, American Sterling Bank, ING Bank, IndyMac Bank, and Merrill Lynch & Co., Inc., among others. In all, the defendants secured, or aided and abetted in securing, through unqualified buyers, at least 50 mortgage loans, representing approximately \$22,396,660 in loan proceeds, based on false and fraudulent representations, resulting in a loss to financial institutions and mortgage lenders totaling approximately \$8,672,330.

Source: <http://www.courierherald.com/news/156927525.html>

17. *June 3, Associated Press* – (Illinois) **Police: Bank robber had to be cut from air duct.** A wig-wearing man broke into a suburban Chicago bank vault and nearly made off with \$100,000 but got stuck in an air duct and had to be cut out hours later, authorities said June 3. The suspect was in an air duct in an office next to the bank, according to an Oak Lawn, Illinois police spokesman. The man had allegedly robbed the suburban bank June 2 and pointed a gun at bank employees who confronted him in the vault, according to the FBI. He allegedly stuffed \$100,000 in a backpack and fled. Employees told authorities it appeared he escaped through the ceiling. Authorities spent hours searching for him and located him June 3. According to the criminal complaint, the suspect told investigators that he got into the vault through the ceiling. He was charged with one felony count of bank robbery.

Source: <http://www.sacbee.com/2012/06/03/4535263/police-bank-robber-had-to-be-cut.html>

18. *June 2, South Florida Sun-Sentinel* – (Florida) **Yoga instructor ordered to pay \$5.6 million in alleged Plantation Ponzi scheme.** A traveling yoga teacher must pay

federal authorities almost \$5.6 million for her role in an alleged Ponzi scheme out of Plantation, Florida, that raked in more than \$30 million from investors, the South Florida Sun-Sentinel reported June 2. The instructor and her former fiance once ran a group of companies under the names MRT or Maximum Return Transactions that the U.S. Securities and Exchange Commission (SEC) alleged served as fronts for an investment fraud involving foreign currency trading. The pair were accused by SEC lawyers of moving about \$3 million of investors' money to their personal bank accounts and using another \$3 million for travel, luxury items, and other expenses. They ran MRT from 2005 until the summer of 2007, first promising investors high returns from foreign currency trading and then saying the company was investing in high-yield overseas products, according to the SEC. Less than \$3 million was used for currency trading, while old investors were paid with new investors' money, federal authorities said. Besides the judgments in the SEC case, the pair were on the hook for a \$50 million judgment entered in a class-action lawsuit filed by MRT investors.

Source: http://articles.orlandosentinel.com/2012-06-02/news/fl-mrt-holdings-ponzi-scheme-20120602_1_nyra-horowitz-mrt-jeffrey-sonn

19. *June 1, New York Post* – (New York) **Fast cash: Thief robs 3 B'klyn banks in 30 minutes.** A brazen bandit robbed three Brooklyn, New York banks in fewer than 30 minutes June 1 — walking away with cash from two of the heists, police said. The thief's first target was an Apple Bank in Flatlands. He passed a note to the teller and fled with an undisclosed amount of cash, cops said. Minutes later, he passed a note to a teller at a Capital One Bank. That time, he fled empty-handed, authorities said. He then ended his bank-robbing spree at an HSBC in Midwood, where he fled with an unknown amount of money, police said.

Source:

http://www.nypost.com/p/news/local/brooklyn/fast_cash_thief_robs_klyn_banks_a6OnzXGgomn2eMn08TtZtN?utm_medium=rss&utm_content=Brooklyn

20. *June 1, Dow Jones Newswires* – (Illinois) **Sentinel Management executives indicted over alleged \$500 million fraud.** Prosecutors indicted two former executives at Sentinel Management Group Inc. June 1 on federal fraud charges, almost 5 years after the collapse of the small asset manager rattled Chicago futures markets. Sentinel's former chief executive is alleged alongside the company's head trader to have defrauded more than 70 clients of more than \$500 million between 2003 and 2007. Sentinel's clients included small brokers operating on exchanges run by CME Group Inc. and others, who found their funds frozen as the firm filed for bankruptcy in August 2007, limiting their ability to trade just as the global financial crisis entered its most critical phase. The 20-count federal indictment escalates a case that has already attracted civil lawsuits from the U.S. Commodity Futures Trading Commission and the U.S. Securities and Exchange Commission, as well as charges from Sentinel's bankruptcy trustee. The pair are alleged to have used client funds to back a loan from Bank of New York Mellon Corp., which was then used to buy riskier securities for a private trading account used for the benefit of Sentinel executives and some members of the chief executive's family, according to the indictment.

Source: <http://www.foxbusiness.com/news/2012/06/01/sentinel-management-executives-indicted-over-alleged-500-million-fraud/>

21. *June 1, Washington Post; Bloomberg* – (National) **Bank oversight office failed to spot foreclosure fraud, Treasury inspector general says.** The Office of the Comptroller of the Currency (OCC) failed to spot widespread problems in the foreclosure practices of major banks from 2008-2010 because the agency's examiners underestimated the mounting risks and were given outdated guidance that did not address how the industry had changed, according to a report issued June 1 by the U.S. Department of the Treasury's inspector general. As foreclosures skyrocketed across the country in the wake of the financial crisis, banks routinely filed flawed and fraudulent legal documents in a rush to keep up with the wave of defaults. But officials at the OCC largely missed the fact the mortgage servicers were cutting legal corners on such a large scale, according to the report. "During this time OCC did not consider foreclosure documentation and processing to be an area of significant risk and, as a result, did not focus examination resources on this function," the report stated. Rather, it said, the OCC relied too heavily on the banks' internal auditing and quality-control reports. In addition, the report said the Mortgage Banking Comptroller's Handbook used by bank examiners had not been updated since the late 1990s. The current comptroller told the inspector general in a May 15 letter that the OCC intends to update its manual by early 2013, but he noted that examiners had received supplemental guidance in 2006, 2007, and 2011.

Source: http://www.washingtonpost.com/business/economy/bank-oversight-office-failed-to-spot-foreclosure-fraud-treasury-inspector-general-says/2012/06/01/gJQAnTiy7U_story.html

22. *June 1, Panama City News Herald* – (Ohio; Florida) **Ohio man charged in \$36 million WatersEdge fraud.** An Ohio man was charged May 31 in Cleveland with conspiracy to commit bank fraud and making false statements to influence a bank to make a loan in connection with a \$36 million mortgage fraud scheme involving property in the WatersEdge development near the Allanton area of Bay County, Florida. The defendant, a land developer, allegedly contacted dozens of Ohio residents regarding WatersEdge and encouraged them to invest in the property. He said investors would receive money upfront, make no payments out of pocket, and receive 50 percent of the profit from the sale at the end of the transaction, according to officials. Ultimately, he failed to make the mortgage payments on these loans, resulting in a loss of about \$36 million. The property remains largely undeveloped. Through using interested investors as "straw buyers," he essentially bought their good credit scores so he could secure loans for the WatersEdge lots. Lawsuits began in 2006 with Indymac Bank. Appraisals of the lots, the lawsuit says, were raised artificially.

Source: <http://www.loansafe.org/ohio-man-charged-in-36-million-watersedge-fraud>

23. *May 31, U.S. Commodity Futures Trading Commission* – (Georgia; Alabama; Texas) **Federal court in Georgia orders over \$10 million in sanctions against a defendant in forex Ponzi scheme.** The U.S. Commodity Futures Trading Commission (CFTC) obtained federal court summary judgment orders resolving against a defendant doing business as The Gresham Company in Peachtree City, Georgia, and a relief defendant and his company, Interveston Wines, LLC (Interveston), both of Calera, Alabama, the CFTC announced May 31. The claims arose from a complaint that charged the defendant with operating a multi-million dollar off-exchange foreign currency (forex)

Ponzi scheme. The relief defendant and Interveston were named in the lawsuit as relief defendants because they allegedly received funds as a result of the defendant's conduct to which they had no legitimate entitlement. The summary judgment entered against the defendant found that, from 2004 to 2009, the defendant solicited \$15,900,245.97 from more than 100 customers for the purported purpose of trading forex. He lured customers and prospective customers with promises of extraordinary monthly returns ranging from 5 to 10 percent and perpetuated his scheme by falsely reporting substantial gains to customers. The court further found he engaged in only limited, unsuccessful forex trading and that he misappropriated the vast majority of customer funds to pay "returns" to other customers and for personal use. The defendant is also currently awaiting trial on mail fraud charges in a related criminal action filed in Texas. Source: <http://www.cftc.gov/PressRoom/PressReleases/pr6268-12>

24. *May 31, Associated Press* – (New York; New Jersey; Pennsylvania) **NYC bank indicted on mortgage fraud charges.** A New York City community bank and 19 ex-employees were criminally charged with issuing hundreds of millions of dollars in fraudulent mortgages that ended up in unwitting investors' portfolios, prosecutors said May 31 in announcing the indictment. Abacus Federal Savings Bank was hit with mortgage fraud, grand larceny, and other charges in what a district attorney (DA) called "a systematic scheme to falsify and fabricate mortgage applications" so unqualified borrowers could get loans. The loans later were sold to mortgage giant Fannie Mae, which repackaged them into securities for investors. Abacus is a Chinatown-based bank with mainly immigrant customers and branches in New Jersey and Pennsylvania. Abacus agreed in February 2011 to enhance training, do a risk assessment, and take other steps as part of an agreement with the federal Office of Thrift Supervision, which said the bank's loan underwriting and documentation practices were inadequate. At Abacus, managers created an environment of doctoring mortgage applications to match Fannie Mae criteria, prosecutors said. Loan officers coached borrowers on inflating their incomes and job titles and falsifying job-verification forms, prosecutors said. The bank made millions of dollars in fees off the more than 4,000 dubious loans. Eight ex-employees already have admitted guilt. Eleven others, including Abacus' former chief credit officer and loan origination supervisor, pleaded not guilty to various charges. Source: <http://www.businessweek.com/ap/2012-05/D9V3UV401.htm>

25. *May 31, Las Vegas Review-Journal* – (Nevada; California) **Fourteen more plead guilty in HOA fraud, corruption case.** Fourteen more defendants pleaded guilty May 31 in Nevada in a sweeping investigation into fraud and corruption at Las Vegas Valley homeowners associations. It was one of the largest group plea deals ever engineered in Nevada by federal prosecutors. Prosecutors are looking to charge as many as a dozen more co-conspirators in the scheme to take control of nearly a dozen homeowners associations between 2003 and 2009. More than \$8 million was funneled through secret bank accounts to fund the scheme, which allowed the conspirators to land lucrative legal, construction, and community management contracts at the associations, prosecutors revealed in court documents May 31. The defendants joined 11 other co-conspirators who previously pleaded guilty in the case. Another defendant pleaded guilty in a related bank fraud scheme, bringing the number of people convicted to 26.

Source: <http://www.lvrj.com/news/judge-begins-accepting-guilty-pleas-in-las-vegas-hoa-fraud-corruption-case-155958625.html>

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Transportation Sector

26. *June 1, Longview Daily News* – (Washington) **Copper theft causes railroad crossing to shut down.** A metal thief caused a malfunction at a heavily traveled Ocean Beach Highway railroad crossing the week of May 21 by stripping copper wire off the tracks, Longview, Washington police said June 1. A detective said no metal thieves in recent memory have targeted train tracks, and police are especially worried that future instances could cause a crash between a train and a car. Officers received a report May 24 that the railroad crossing arms in the 3100 block of Ocean Beach Highway had been down for more than 20 minutes, but no train could be seen, according to a court affidavit released June 1. A representative of Columbia & Cowlitz Railroad made a temporary repair of the equipment. However, because the source of the malfunction was unknown, the company also ordered train conductors to stop before the intersection, exit their trains and make sure the crossing was safe before proceeding. The damage to the tracks was estimated at about \$820.

Source: http://tdn.com/news/local/copper-theft-causes-railroad-crossing-to-shut-down/article_2742ebc4-ac7e-11e1-b7e7-001a4bcf887a.html#ixzz1wpU706fV

27. *June 1, Iowa City Patch* – (Iowa) **Iowa DOT to make changes after recent series of Interstate 80 semi accidents.** A series of semi truck accidents on a stretch of Interstate 80 running through Iowa City, Iowa, between the Herbert Hoover Highway and Dodge Street exits led to the Iowa Department of Transportation (DOT) planning changes to improve safety. In a June 1 release, the DOT announced plans to install signs telling trucks to use the left lane, which is 12 feet wide and has a paved shoulder. They will also install a rock shoulder to give drivers that drift off the road a better chance at recovery. DOT officials said they believe drivers moving too quickly and not being aware of their surroundings are causing the frequent accidents. May 30, a semi with a trailer full of herbicide slid off the road and spilled 200 gallons of its contents into a ditch, slowing traffic for hours as emergency workers worked to clean the wreckage and capture the leaked chemicals. There were two other semi trailer accidents the week of May 28.

Source: <http://iowacity.patch.com/articles/iowa-dot-to-make-changes-after-recent-series-of-interstate-80-semi-accidents>

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Postal and Shipping Sector

Nothing to report

Agriculture and Food Sector

28. *June 4, Food Safety News* – (California) **FDA revokes Taylor Farms salad recall.** June 1, the U.S. Food and Drug Administration (FDA) informed Taylor Farms of Salinas, California, the bagged salad it was asked to recall for potential E. coli contamination was in the clear after all. May 30, a sample of the salad product taken from a restaurant in Florida and analyzed by the Rhode Island Department of Health tested positive for E. coli O157:H7, prompting a recall of bagged salads. However, by the middle of June 1, the FDA informed the company the test had returned a false positive result. That meant E. coli O157:H7 was actually not detected in the product despite initial test results showing the presence of the bacteria.
Source: <http://www.foodsafetynews.com/2012/06/fda-revokes-taylor-farms-salad-recall/>
29. *June 3, Associated Press* – (New York) **N.Y.: Apple crop hurt, aid sought.** New York legislators said the State's apple crop took a beating the spring of 2012, the Associated Press reported June 3. Lawmakers proposed the Family Farmers and Apple Growers Relief Act. They said apple growers have lost as much as 75 percent of the 2012 crop. New York is the second largest apple growing State with 694 farms that employ more than 10,000 people.
Source: <http://www.the-leader.com/newsnow/x1916929797/N-Y-Apple-crop-hurt-aid-sought>
30. *June 2, U.S. Department of Agriculture Food Safety and Inspection Service* – (Hawaii) **Hawaii firm recalls ready-to-eat pork product for possible Listeria contamination.** Keoki's Lau Lau of Honolulu, Hawaii, recalled approximately 400 pounds of a ready-to-eat pork product due to possible contamination with Listeria monocytogenes, the U.S. Department of Agriculture's Food Safety and Inspection Service (FSIS) announced June 2. The following products are subject to recall: 12-ounce tubs of "Keoki's Kalua Brand Pork" and 48-ounce tubs of "Keoki's Kalua Brand Pork. The products were produced May 24 and 25 and distributed to retail establishments in Hawaii. The problem was discovered by the firm during follow-up testing conducted after a positive result from a FSIS routine monitoring sample.
Source:
http://www.fsis.usda.gov/News_&_Events/Recall_037_2012_Release/index.asp
31. *June 2, Associated Press* – (Iowa; Missouri) **Iowa quarantines facility after 2 bulls test positive for cattle venereal disease.** Iowa agriculture officials issued a quarantine order for a facility where two bulls tested positive for a venereal disease in cattle, the Associated Press reported June 2. The disease, bovine trichomoniasis, is a reportable disease in Iowa. Officials said there were no clinical signs of the disease in the bulls, but it can be spread to cows and cause infertility. They said June 1 the quarantine will remain in place until further testing confirms the disease is no longer present in the herd. The facility was not identified. Officials said this was the first known case of the disease in Iowa. There have been more than 200 cases in Missouri.

Source:

<http://www.therepublic.com/view/story/c1d6afff802f4a7cb84149a558c47458/IA--Bull-Disease>

32. *June 2, Detroit News* – (Michigan) **Michigan governor seeks federal disaster aid for crop losses.** Michigan's governor said June 1 he asked for federal disaster aid to help with crop losses estimated at \$223.5 million, caused by erratic weather, but an agriculture expert said Michigan farmers may not get a chance to apply for the assistance until fall. Summer-like temperatures in March, followed by frosts and freezes, led to some of the State's biggest losses in decades of cherries and other fruits. Usually, one fruit crop might be devastated, said a Michigan Farm Bureau Commodity and Marketing Department manager. However, the spring of 2012 all fruit crops were damaged except blueberries. Michigan's fruit industry is valued at more than \$190 million a year. The State will lose about 90 to 97 percent of its tart cherry crop, according to a letter the U.S. Senate Agriculture Committee chairwoman sent the week of May 28 to the Agriculture Secretary. Michigan produces three-fourths of the nation's tart cherries, used primarily in pies and other food products, and 20 percent of its sweet cherries.

Source:

<http://www.detroitnews.com/article/20120602/BIZ/206020326#ixzz1wpKHIEOx>

33. *June 2, Fayetteville Observer* – (North Carolina) **8 workers at Smithfield Packing treated after ammonia leak.** Eight workers at Smithfield Packing Co. were taken to hospitals May 31 following an ammonia leak at the hog-processing plant in Bladen County, North Carolina. The senior vice president of human resources and safety said a portion of the plant where 400 employees work was evacuated. "We believe it was a rupture in a coil on a cooling unit," he said June 1. The plant's maintenance workers cut power to the unit and repaired it. Bladen County's fire marshal and emergency services director said the leak was contained by the time his crews arrived. The senior vice president said he believed one employee was admitted to a hospital, while the other seven were released after receiving treatment. The evacuated workers were sent home because the leak happened close to the end of the second shift. The plant was closed for 2-3 hours while maintenance crews repaired the leak. It resumed its normal operation June 1.

Source: <http://www.fayobserver.com/articles/2012/06/01/1181759?sac=fo.local>

34. *June 1, U.S. Department of Agriculture Food Safety and Inspection Service* – (National) **Chicago firm recalls pork roll products due to misbranding and undeclared allergen.** BaLe Meat Processing and Wholesale, Inc., a Chicago establishment, recalled approximately 13,200 pounds of various raw and ready-to-eat pork roll products because of misbranding and an undeclared allergen, wheat, which is not declared on the label, the U.S. Department of Agriculture Food Safety and Inspection Service (FSIS) reported June 1. The products subject to recall include: BaLe "Cha Bi (Skin Pork Patty Roll)"; BaLe "Cha Lua (Steamed Pork Patty Roll)"; BaLe "Cha Chien (Fried Pork Patty Roll)"; BaLe "Cha Hue (Spicy Pork Patty Roll)"; BaLe "Cha Lua La Chuoi (Steamed Pork Roll Wrapped in Banana Leaves)"; and BaLe "Cha Lua (Raw Pork Roll finished product)." The products were shipped to retailers in

Oakland, California; Denver; Chicago; Dorchester, Massachusetts; and Minneapolis, Minnesota. The problem was discovered by the FSIS during label verification procedures at the facility. The discrepancy may have occurred during the switch to a new ingredient supplier in September 2011.

Source:

http://www.fsis.usda.gov/News_&_Events/Recall_036_2012_Release/index.asp

35. *June 1, AgAnswers* – (Ohio; Iowa; Illinois) **Hot, dry weather contributing to uneven corn emergence.** Corn growers finding marginal stands in their corn fields might be seeing the effects of record rainfall in 2011, a mild winter in 2012, and continued hot, dry weather — all of which potentially contributed to problems with corn emergence, AgAnswers reported June 1. Multiple northern Ohio cornfields have had fair to poor stands, according to an Ohio State University (OSU) Extension educator in north-central Ohio. The problem is the hot, dry weather has created some of the soil crusting conditions that makes it hard for emerging corn to get out of the ground, said an OSU Extension agronomist. The heat is also causing uneven growth and even some mortality. He said, “The hot dry weather has had a significant effect, not only in Ohio but in other states including Iowa and Illinois, where poor root development has caused floppy corn where corn has fallen over.”

Source: <http://www.agprofessional.com/news/Hot-dry-weather-contributing-to-uneven-corn-emergence-155985305.html>

36. *June 1, U.S. Food and Drug Administration* – (National; International) **An updated message to our customers - recall of South Korea shellfish.** May 25, the Food and Drug Administration (FDA) issued a Constituent Update on shellfish from Korea. This update supplemented an announcement released May 18, clarifying that canned product (now in addition to fresh and frozen shellfish from Korea) was considered adulterated, the U.S. Food and Drug Administration (FDA) reported June 1. In light of the FDA Update of May 25, Crown Prince notified all of its wholesalers to suspend shipments and retailers to remove South Korean shellfish from their shelves. The affected products are: Crown Prince Whole Boiled Oysters, Crown Prince Natural Whole Boiled Oysters, Crown Prince Natural Smoked Oysters in Olive Oil, and Crown Prince Natural Smoked Oysters with Chili Pepper. This only affects oysters from South Korea. No other Crown Prince items or countries of origin are affected by this recall.

Source: <http://www.fda.gov/Safety/Recalls/ucm306377.htm>

37. *June 1, Associated Press* – (Nebraska) **Jury: \$181M to 3 hurt in Ill. grain elevator blast.** A federal jury sided against ConAgra Foods Inc. and a subcontractor June 1 in awarding roughly \$181 million in damages to three workers severely injured in a 2010 explosion at a southern Illinois grain elevator. Omaha, Nebraska-based ConAgra, one of the nation’s biggest food companies, vowed to appeal the outcome of the month-long trial, calling the accident tragic but insisting “we do not believe our actions caused the injuries.” Jurors assessed \$100 million in punitive damages that will be split among three victims. Compensatory damages include \$41.5 million to one worker, roughly \$34 million to a second worker, and \$2.9 million to the third worker. According to the lawsuit, the victims were removing equipment from a concrete grain bin at ConAgra’s flour-milling site in the Mississippi River city of Chester, Illinois, April 27, 2010, when

that bin exploded. The men's attorneys argued the bin had not been properly cleaned in nearly 2 decades and despite an unusual odor, smoke, and unusually high temperatures in it, ConAgra failed to properly instruct the workers about precautions that may have averted the explosion.

Source: <http://www.myfoxdal.com/story/18678973/jury-181m-to-3-hurt-in-ill-grain-elevator-blast>

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Water Sector

38. *June 4, Pierce County Herald* – (Wisconsin) **Coliform bacteria found in Hammond's drinking water.** Residents of the village of Hammond, Wisconsin, were told to boil their water or drink bottled water until further notice, the Pierce County Herald reported June 4. The public works department said a water sample collected May 24 indicated the presence of coliform bacteria. Further sampling May 29 confirmed the presence of the bacteria. To correct the problem, the department was "emergency chlorinating the water system" and would continue to test and monitor the system until resolved.

Source: <http://www.piercecountyherald.com/event/article/id/45794/>

39. *June 4, Belleville News-Democrat* – (Illinois) **Leaks and corrosion: Water main pipes being replaced in metro-east.** Illinois American Water Co. invested \$1.2 million to replace more than 2 miles of water main piping in parts of several Illinois cities, including Belleville, East St. Louis, Granite City, and Venice. Work will begin the week of June 4. The original piping is rife with leaks, corrosion, and longterm sediment accretion, according to the senior operations manager for the Interurban District. "Upgrading the infrastructure is essential to ensuring quality water service," he said.

Source: <http://www.bnd.com/2012/06/03/2198464/water-piping-being-replaced-in.html>

40. *June 3, Duluth News Tribune* – (Wisconsin) **After failing for 2 years, Washburn vows to fix sewage plant.** Washburn, Wisconsin, was found violating State sewage release regulations for more than 2 years, the Duluth News Tribune reported June 3. The 15-year-old plant stopped working in December 2009 and began sending up to 300,000 gallons of partially treated sewage into Lake Superior's Chequamegon Bay daily. The Wisconsin Department of Natural Resources (DNR) issued a notice of non-compliance to the city after 4 months of violations, and in June 2010 issued a moratorium on any new construction, allowing no new sewage mains or extensions or commercial hookups until the problem was solved. Thirty months later, the city is still in violation of limits on fecal coliform, phosphorus, biological oxygen demand, and suspended solids, said the DNR's wastewater engineer. To date, there does not appear to be any major environmental or public health problems caused by the longstanding influx of sewage that is only partially treated. DNR experts and private consultants were summoned to help determine why the once functional plant stopped working. Several efforts to import active sewage from Ashland and Bayfield to kick-start the

Washburn plant failed.

Source: <http://www.duluthnewstribune.com/event/article/id/233276/>

41. *June 3, WBZ 4 Boston* – (Massachusetts) **Water main break forces temporary road closure in Boston.** A water main break forced officials to close roads temporarily in the Fenway neighborhood of Boston June 3. The 12-inch wide pipe broke on Hemenway Street, spilling thousands of gallons of water. At the height of the break, there was 6-8 inches of water in the roadway and crews were forced to shut water service off to the area. At least one car was damaged in the break. Crews were still on the scene repairing the break more than 12 hours later.
Source: <http://boston.cbslocal.com/2012/06/03/water-main-break-forces-temporary-road-closure-in-boston/>
42. *June 1, Suwannee Democrat* – (Florida) **Mandatory water restrictions activated.** Voluntary water restrictions imposed by the Suwannee River Water Management District (SRWMD) in Florida will become mandatory June 13 following a May 29 decision by the governing board. According to a SRWMD senior professional engineer, recent rains helped improve water levels, but major impacts are not expected in most areas. This is the first phase III water shortage order that has been implemented. Restrictions, and some exemptions, will apply to residential, agricultural, commercial, and industrial users in all of Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Madison, Suwannee, Taylor, and Union counties, and portions of Alachua, Baker, Bradford, Jefferson, Levy, and Putnam counties.
Source: <http://suwanneedemocrat.com/suwannee/x1561300160/Mandatory-water-restrictions-activated>

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Public Health and Healthcare Sector

43. *June 4, WTVF 5 Nashville* – (Tennessee) **Woman found shot to death at Green Hills Medical Building.** A Green Hills, Tennessee dentist discovered one of his employees had been shot to death inside his office June 4 upon arriving to work. A patient had come in one half-hour before the dentist's arrival and did not see anything. Police said the victim had opened the office, and there was no sign of forced entry. Police believe she was targeted and have leads on the gunman. The building was closed for several hours during the investigation.
Source: <http://www.newschannel5.com/story/18690832/woman-found-shot-to-death-at-green-hills-medical-building>
44. *June 2, Pittsburgh Tribune-Review* – (Pennsylvania) **Owner of Fayette pharmacy charged in drug investigation.** The owner of a Fayette County pharmacy in Pennsylvania was charged with numerous counts of controlled substance violations after a police raid June 1; he was arrested at his business, Redstone Pharmacy and Travel Agency. The raid followed an investigation that began in July 2011. The

investigation began with allegations of sales of narcotics and other criminal activities at the pharmacy with the aid of an informant, according to an affidavit of probable cause filed by a task force detective. On five occasions from July through September 2011, the informant made numerous purchases at the pharmacy of Xanax and Vicodin, police allege. Six criminal complaints were filed against the pharmacy owner. The charges include felony counts of drug delivery. A pharmacy technician at the drugstore was also charged in the investigation by the Fayette County Drug Task Force.

Source: <http://triblive.com/news/1902012-74/pharmacy-informant-wilcox-heneks-filed-investigation-police-affidavit-charged-defino>

45. *June 1, California Department of Public Health* – (California) **CDPH issues penalties to 13 hospitals.** The California Department of Public Health (CDPH) announced June 1 that 13 California hospitals were assessed administrative penalties and fines totaling \$825,000 after a determination that noncompliance with licensing requirements caused, or was likely to cause, serious injury or death to patients. The following hospitals received penalties: Chapman Medical Center, Orange; Chinese Hospital, San Francisco; Community Regional Medical Center, Fresno; Kaiser Foundation Hospital – Oakland/Richmond, Oakland; Kaiser Foundation Hospital – San Diego, San Diego; Kaiser Foundation Hospital – San Francisco, San Francisco; Keck Hospital of USC, Los Angeles; Mad River Community Hospital, Arcata; Motion Picture & Television Hospital, Woodland Hills; San Joaquin General Hospital, French Camp; Santa Clara Valley Medical Center, San Jose; Southwest Healthcare System, Murrieta; and University of California, San Diego Medical Center.

Source: <http://www.cdph.ca.gov/Pages/NR12-023.aspx>

46. *June 1, Marin Independent Journal* – (California) **Novato firefighters respond to acid spill at medical center.** A Novato, California surgery facility was partially evacuated June 1 after an acid spill in a sterile room, a fire official said. The incident occurred on the first floor of the North Bay Regional Surgery Center. The spilled substance was peracetic acid, which is diluted with water to sterilize medical equipment. Initial reports said about a gallon of the corrosive acid had spilled, prompting a large response by firefighters, but the spill amount was later determined to be about 15 ounces, said the Novato fire deputy chief. One employee was treated at the scene for throat discomfort. Firefighters evacuated the first-floor patients who were able to walk, while three surgery patients who were semi-sedated were sheltered in a sealed room with their attendants. A county hazardous materials crew was summoned to clean up the acid.

Source: http://www.marinij.com/novato/ci_20762717/novato-firefighters-respond-acid-spill-at-medical-center

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Government Facilities Sector

47. *June 1, KIRO 7 Seattle* – (Washington) **Kent school evacuated after students and adults felt dizzy, lightheaded.** A Kent, Washington middle school was evacuated June

1 after 16 students and 3 adults reported feeling dizziness and lightheadedness. The Kent Fire Department said students and adults at Cedar Heights Middle School said they felt the symptoms in the early afternoon and some noticed the smell of diesel or another petroleum product. The affected students were from two classrooms in the same area of the school. As a precaution, the school was evacuated and firefighters searched the school with chemical sensors, but did not find any foreign material in the building. All of the students and staff were allowed to go back into the building before they were scheduled to be released.

Source: <http://www.kirotv.com/news/news/kent-school-evacuated-after-students-and-adults-fe/nPKBC/>

48. *June 1, KHQ 6 Spokane* – (Washington) **Yakima Co. bomb squad responds to Eastmont High School.** School officials at Eastmont High School in East Wenatchee, Washington, evacuated the school June 1 after a suspicious device was found in a planter near the front entrance of the school. Initially, the building was placed on lockdown as police completed their initial investigation. After taking a look at the device, police advised administrators to evacuate the school. The Yakima County Bomb Squad responded to the building, and students were transported to Eastmont Junior High School.
Source: <http://www.khq.com/story/18680925/suspicious-device-sends-eastmont-high-schoolers-home-early>
49. *June 1, Associated Press* – (Idaho; Florida; International) **Fake bomb threat at Idaho school traced to Europe.** Authorities said a bomb threat that prompted the evacuation of an eastern Idaho high school was traced to a phone call made from Europe, the Associated Press reported June 1. The Rexburg Standard Journal reported the Jefferson County Sheriff's Office said phone records indicate two or more juveniles were responsible for making the fake threat May 4 that four bombs were placed inside Rigby High School in Rigby. Authorities said the caller also warned that firearms were placed inside the school. Detectives now believe that the threat called into the Idaho school is connected to a similar incident in Florida. Officials in Jefferson County are working with State, federal, and international authorities in pursuing charges against those responsible.
Source: <http://www.idahostatesman.com/2012/06/01/2138245/fake-bomb-threat-at-idaho-school.html>
50. *June 1, WIBW 13 Topeka* – (Kansas) **Six sent to hospital after nitric acid spill in K-State lab.** Manhattan, Kansas fire officials said six people were taken to the hospital June 1 after an acid spill in a lab on Kansas State University's campus. According to a university spokesperson, a faculty member carrying a 9-pound bottle of nitric acid in a second-floor laboratory hit the doorway of the lab, causing about 2.5 liters of the chemical to spill. A fire official said the solution in the bottle was 70 percent nitric acid and some of it splashed onto the faculty member's feet, going through her shoes and leaving her with minor burns. Others in the lab put absorbent down on the acid until firefighters and emergency crews arrived. Five other people who were in the vicinity of the spill were also taken to the hospital to be evaluated because they inhaled a small amount of nitric acid fumes.

Source:

http://www.wibw.com/home/localnews/headlines/Six_Sent_To_Hospital_After_Nitric_Acid_Spill_In_K-State_Lab_156476915.html

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Emergency Services Sector

51. *June 4, Associated Press* – (Utah; Nevada) **Air tanker crash kills 2 at Utah wildfire site.** An air tanker dropping retardant on a remote wildfire along the Utah-Nevada line crashed June 3, killing both crew members. The pilots were fighting the 5,000-acre White Rock Fire, which began burning June 1 after a lightning strike in eastern Nevada. The cause of the crash in the Hamblin Valley area of Western Utah was unknown, Bureau of Land Management (BLM) officials said. BLM ground crews and helicopter crew members worked to hold the fire back from the wreckage. The fire later overwhelmed the crash site. The pilots were flying a P-2V air tanker owned by Neptune Aviation Services of Missoula, Montana. Also June 3, the crew of another firefighting P-2V air tanker reported it was unable to lower all of its landing gear and land at Minden-Tahoe Airport in Western Nevada. Crew members flew the plane for another 90 minutes to burn off fuel before making an emergency landing on a cleared runway, a Douglas County sheriff's spokesman said. The aircraft sustained significant damage after it slid off the runway, but both crew members escaped injury. The incidents come several months after a group of Western Senators questioned whether the U.S. Forest Service was moving quickly enough to build up and replace the fleet of aging planes that drop fire retardant on wildfires.

Source:

http://www.google.com/hostednews/ap/article/ALeqM5he0eLSe4lmG7vT0z_7EuYVN_SyY0Q?docId=12d244f0b03c401291134c2b9355791e

52. *June 2, Associated Press* – (Alabama) **Ala. police officer charged with fire set in arson spree.** A Birmingham, Alabama police officer was charged with arson June 1, accused of setting one of more than a dozen fires that investigators said charred abandoned homes in a part of the city plagued by vacant houses. He worked as a patrol officer in a part of the city where authorities said 13 suspicious fires occurred in vacant homes in May. He was previously jailed on charges of setting fires near his home in northern Jefferson County, and police have not reported any fires believed linked to the Birmingham spree since he was arrested. A judge set a bond hearing for June 21 for the officer, who was freed from the county jail on a bond of \$315,000 for the Warrior charges, but he remained in the city jail on a bond of \$150,000 for the Birmingham charge.

Source: <http://www.firehouse.com/news/10724763/ala-police-officer-charged-with-fire-set-in-arson-spre>

53. *June 2, Arizona Republic* – (Arizona) **Pentagon orders military-gear crackdown after Ariz. issues.** A spokesman for the Defense Logistics Agency (DLA) informed the

Arizona Republic June 1 that new policies were being developed and a new accounting system would be employed to keep track of surplus military gear that law-enforcement agencies are able to requisition free. The newspaper had published a report detailing how the Pinal County Sheriff's Office, which has collected millions of dollars worth of surplus military equipment intended for law-enforcement use, has distributed vehicles and other gear to non-police agencies. The DLA spokesman said the agency's Law Enforcement Services Office is taking steps to clarify that police are not allowed to "loan" items to non-government fire departments and other agencies or enterprises that do not enforce laws. He also said the agency will monitor the sheriff's office to ensure it does not sell surplus military gear to enhance its budget in violation of federal rules. Source: <http://www.usatoday.com/news/military/story/2012-06-02/pentagon-military-gear/55347666/1>

54. *June 1, WSAV 3 Savannah* – (Georgia) **Problems identified in 911 Call Center outage.** Savannah, Georgia's 9-1-1 Call Center went down for nearly 2 hours May 30 after a construction crew mistakenly severed a power line, WSAV 3 Savannah reported June 1. A backup generator kicked in, but that died a short time later because of a faulty circuit board. A county manager said crews test the generator once a week. He said the generator was working fine a few days before the incident. Along with having two backup generators, there are now plans to relocate the emergency radio system to a more efficient site, as well as update their communication systems to use e-mail alerts. Source: <http://www2.wsav.com/news/2012/jun/01/problems-identified-911-call-center-outage-ar-3900270/>

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Information Technology Sector

55. *June 4, PCWorld* – (International) **'Flame' spread via rogue Microsoft security certificates.** Analysis of the "Flame" code revealed rogue Microsoft security certificates were used to make the malware appear as if it was officially signed by Microsoft. Microsoft issued a security advisory June 3, revoked trust in the rogue certificates, and provided steps to help IT admins and users prevent attacks that rely on the spoofed Microsoft certificates. A post on the Microsoft Security Response Center blog stated, "We have discovered through our analysis that some components of the malware have been signed by certificates that allow software to appear as if it was produced by Microsoft." The Microsoft blog post explained that a vulnerability in an old cryptography algorithm is exploited by elements of Flame to make them appear as if they originated from Microsoft. Most systems around the world accept officially signed Microsoft code as safe by default, so the malware would enter unnoticed. Source: http://www.pcworld.com/businesscenter/article/256742/flame_spread_via_rogue_microsoft_security_certificates.html

56. *June 4, Web Host Industry Review* – (International) **Hackers use social engineering to compromise CloudFlare CEO Gmail account.** Hackers were able to infiltrate the personal Gmail account of CloudFlare’s CEO June 1, according to a post on the Web performance and security provider’s blog. CloudFlare said the attack appeared to have begun in mid-May when an account request was sent to Gmail for the CEO’s personal e-mail address. A week after it was initiated, the hacker convinced Google’s account recovery systems to add a fraudulent recovery e-mail address to his personal Gmail account, and once it was added, the hacker reset his personal e-mail password. The hacker targeted a CloudFlare customer via the CEO’s Google Apps administrative panel. The hacker was able to log into the customer’s CloudFlare account and change DNS settings to temporarily redirect the site. CloudFlare has reset all customer API keys. This incident also illustrates weakness with the two-factor authentication on Google Apps. Google said it discovered a subtle flaw affecting the account recovery flow for some accounts. It has blocked that attack vector to prevent further abuse. Source: <http://www.thewhir.com/web-hosting-news/hackers-use-social-engineering-to-compromise-cloudflare-ceo-gmail-account>
57. *June 3, TrendLabs* – (International) **Malicious PowerPoint file contains exploit, drops backdoor.** Trend Micro researchers have discovered a malicious MS PowerPoint document that arrives via a file attached to specific e-mail messages. The file contains an embedded Flash file, which exploits a software bug found in specific versions of Flash Player (CVE-2011-0611) to drop a backdoor onto users’ systems. Simultaneously, it also drops a non-malicious PowerPoint presentation file “Powerpoint.pps” tricking users into thinking that the malicious file is just an average presentation file. Trend Micro detects the malicious PowerPoint file as TROJ_PPDROP.EVL and the dropped backdoor file as BKDR_SIMBOT.EVL. Reports, as well as Trend Micro’s analysis, confirmed that this kind of malware has been used for targeted attacks in the past. Source: [http://blog.trendmicro.com/malicious-powerpoint-file-contains-exploit-drops-backdoor/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:+Anti-MalwareBlog+\(Trend+Micro+Malware+Blog\)&utm_content=Google+Reader](http://blog.trendmicro.com/malicious-powerpoint-file-contains-exploit-drops-backdoor/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:+Anti-MalwareBlog+(Trend+Micro+Malware+Blog)&utm_content=Google+Reader)
58. *June 1, KRQE 13 Albuquerque* – (New Mexico) **Feds: Schemers twisted lab connections.** Federal agents said two Albuquerque men used their business connection with New Mexico’s national labs to steal nearly \$2 million from computer-maker Dell Inc. The two men were each charged with 128 counts of fraud. One suspect used to work at Technology Integration Group, which buys and distributes computers and parts for Los Alamos and Sandia National Labs. “They were fraudulently using service tag numbers on Dell equipment to obtain Dell products without authorization to the tune of \$1.8 million,” said a Secret Service agent. For years, the two men had Dell ship laptops and other equipment to a store in Nob Hill, investigators said. The feds said this may have been going on for a decade until Dell caught on in 2009. Both men are scheduled to appear in court in June. Source: <http://www.krqe.com/dpp/news/crime/feds-schemers-twisted-lab-connections>

Internet Alert Dashboard

To report cyber infrastructure incidents or to request information, please contact US-CERT at sos@us-cert.gov or visit their Web site: <http://www.us-cert.gov>

Information on IT information sharing and analysis can be found at the IT ISAC (Information Sharing and Analysis Center) Web site: <https://www.it-isac.org>

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Communications Sector

59. *June 2, Space News* – (International) **Intelsat 19 satellite fails to deploy solar array.** The Intelsat IS-19 satellite launched May 31 has failed to deploy one of its two solar arrays, Intelsat announced June 1 — an anomaly that has affected other Space Systems/Loral (SS/L)-built satellites and is likely to have ripple effects on two others preparing for launch in the coming weeks. Luxembourg- and Washington, D.C.-based Intelsat, in its statement, said only that there was a “delay” in the deployment of one of the arrays. IS-19 is scheduled to replace Intelsat’s IS-8 at 166 degrees east, where in addition to taking on IS-8 customers, it will play a key role in Intelsat’s planned global network providing broadband communications to aeronautical and maritime customers. IS-8 has sufficient fuel to continue operating until late 2019, Intelsat said.
Source: http://www.spacenews.com/satellite_telecom/120602-intelsat-19-satellite-fails-deploy-solar-array.html

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Commercial Facilities Sector

60. *June 3, KPHO 5 Phoenix* – (Arizona) **MCSO: Flashlight scare at Goodwill ends safely.** An evacuation order was lifted June 3 at a Fountain Hills, Arizona Goodwill facility after suspicious flashlights that were donated checked out safely, the Maricopa County Sheriff’s Office (MCSO) said. The MCSO bomb squad, a SWAT unit, 16 deputies, and a K-9 unit were called to the scene. Three flashlights were donated and one was a six-volt, the kind of flashlight that has come under local and federal scrutiny after similar flashlights were rigged with explosives in Arizona. In recent weeks, three explosive devices rigged to similar flashlights have exploded, injuring several people. There have been multiple false alarms and hoaxes as well. The Bureau of Alcohol, Tobacco, Firearms and Explosives previously announced a \$10,000 reward for information leading to the arrest of the person or persons responsible for leaving yellow Eveready-brand flashlights rigged with explosives at several locations around the area.
Source: <http://www.kpho.com/story/18687359/goodwill-evacuation-lifted-flashlight-not-explosive>
61. *June 3, WCSC 5 Charleston* – (South Carolina) **Sheriff’s office: Meth lab found in deadly Goose Creek apartment fire.** The Berkeley County Sheriff’s Office said June

3 that a meth lab was found at a Goose Creek, South Carolina apartment building where three people were found dead following a fire and explosion May 31. A Berkeley County Sheriff's Office spokesman said the fire was being treated as a crime scene. The investigation was being turned over to the Drug Enforcement Agency, and the South Carolina State Law Enforcement Division was also asked to help. A witness reported a loud explosion and saw smoke coming out of her neighbor's apartment. According to the Red Cross, 16 units were destroyed, affecting a total of 46 people. Source: <http://www.wistv.com/story/18667419/emergency-crews-responding-to-apartment-fire-in-goose-creek>

62. *June 2, Reuters* – (National) **Tornado, heavy rains leave U.S. mid-Atlantic battered.** High winds, heavy rains, and several tornadoes damaged homes, businesses, and boats across the mid-Atlantic region, causing at least one serious injury, officials said June 2. The violent storms that struck Pennsylvania, Maryland, and Virginia collapsed a fabric dome near Pittsburgh, stranded motorists on flooded roads, and ruined homes and boats. One man in Bel Air, Maryland suffered broken bones when the concrete block wall of his automotive garage business collapsed on him during the storm. An alert employee evacuated 11 others from the fabric golf dome at Robert Morris University in Pennsylvania a minute before winds caused it to collapse June 1. Tens of thousands of people lost power in Washington, D.C. and its Maryland suburbs. The Baltimore Gas and Electric Company also had tens of thousands of customers lose power. Flash flooding along the Interstate 95 corridor inundated roads and stranded motorists, some of whom had to be rescued. Witnesses said a tornado struck Hampton, Virginia, where 100 homes, three businesses, and some yachts sustained damage. The damage in Hampton was estimated at \$4.3 million. Source: <http://www.reuters.com/article/2012/06/02/us-usa-weather-damage-idUSBRE8510GZ20120602>
63. *June 2, KXL 101.1 FM Portland* – (Oregon) **24 injured at eastern Oregon festival.** Twenty-four people were sent to the hospital June 2 after a car slammed into a group of spectators in Ontario, Oregon. Witnesses said the car crashed into the bandstand area at the America's Global Village Festival. None of the injuries appeared to be life-threatening. Ontario police said the driver was taken into custody. Source: <http://www.kxl.com/06/02/12/24-Injured-At-Eastern-Oregon-Festival/landing.html?blockID=611590&feedID=10446>
64. *June 2, Connecticut Post* – (Connecticut) **5 hospitalized after car crashes into store.** Five people were hospitalized June 1 when a car careened through the side doors of a market in Bridgeport, Connecticut. The crash happened at the Compare Foods supermarket, where the driver of the car lost control as he was trying to park and plowed through the sliding entrance door, hitting three people, including one who was thrown back into the vestibule area and briefly pinned under the car. A passenger in the car was also hospitalized. None of the injuries were believed to be life-threatening. Source: <http://www.ctpost.com/news/article/Several-injured-after-car-crashes-into-Bridgeport-3602695.php>

65. *June 2, Marco Eagle* – (Florida) **East Naples foam party that injured dozens draws attention of health department.** A foam party at a popular night club in the East Naples section of Naples, Florida, ended in at least 40 people seeking treatment for eye injuries or temporary blindness, the Marco Eagle reported June 2. The party at Loft 59 Night Club began May 25 and ended early May 26 when party-goers said they were forced to leave an hour early after a “mad dash” to the restroom to wash their eyes. A spokeswoman for the Collier County Health Department said epidemiological officials were alerted May 26 after patients were seen at three of four area emergency rooms. The officials were told at least 40 sought treatment over the following week. Party-goers said they were blinded for 2 days, causing them to miss college classes, exams, and work because they could not see. They added they had to be treated with painkillers and antibiotic ointment.
Source: <http://www.marconews.com/news/2012/jun/02/foam-party-east-loft-59-injured-eyes-hospitalized/>

For another story, see item [67](#)

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National Monuments and Icons Sector

66. *June 4, MSNBC; KNBC 4 Los Angeles* – (California) **Fire threatens portion of Sequoia National Forest.** Authorities evacuated hikers and called in additional personnel to fight a 1,600-acre blaze that threatened a portion of the Sequoia National Forest in California, the U.S. Forest Service (USFS) said June 4. More than 400 firefighters were battling the blaze, dubbed the George Fire, and more resources were expected to arrive throughout the day, the Los Angeles Times reported. The fire had increased in size, growing from 1,000 acres June 3 to 1,600 acres, according to the Times. This is the first time in 140 years that fire has threatened this part of the forest, fire officials said. The cause of the fire remains under investigation. USFS firefighters evacuated hikers and campers along the Lloyd Meadow Road and at several trailheads.
Source: <http://usnews.msnbc.msn.com/news/2012/06/04/12051740-fire-threatens-portion-of-sequoia-national-forest?lite>
67. *June 3, Associated Press* – (New Mexico) **Evacuation order to be lifted in 1 NM town.** Residents and business owners are going to be allowed to return to one of the small New Mexico towns evacuated because of the wildfire burning in the Gila National Forest. Fire officials said they have decided to lift the evacuation order for Mogollon June 4 because crews were able to build some containment lines on the fire’s western flank. The privately run ghost town was evacuated May 26 as extreme wind fueled the Whitewater-Baldy Complex fire. It was expected to reopen to the public June 6. The community of Willow Creek on the fire’s northern flank remained evacuated. The fire has burned 377 square miles and is still only 17 percent contained. The U.S. Fish and Wildlife Service was monitoring two packs of endangered Mexican gray wolves that live north and east of the fire.
Source: <http://www.seattlepi.com/news/article/Evacuation-order-to-be-lifted-in-NM-ghost-town-3605777.php>

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Dams Sector

68. *June 2, Estes Park Trail-Gazette* – (Colorado) **Lily Lake dam to be repaired.** Rocky Mountain National Park will repair the Lily Lake Dam in Mesa County, Colorado, rather than remove it, the Estes Park Trail-Gazette reported June 2. A February public scoping of the project revealed the park is legally bound to retain the water rights in Lily Lake and the dam is essential to the process. The project superintendent said planning work was ongoing and construction should begin in the fall of 2012, funded by the NPS Dam Safety Program. The work is required after the U.S. Bureau of Reclamation rated the Lily Lake Dam as a high-hazard dam. Failure of the dam was not imminent, which gave park staff time to evaluate long-term solutions. The dam will be regularly inspected and monitored, and a pump was purchased to lower the lake level in the event of a significant weather event.

Source: http://www.eptrail.com/rocky-mountain-national-park/ci_20753245/lily-lake-dam-be-repaired

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